

**Joint Report of the Head of Finance and the Head of Planning and Local Development**

**LOCAL WELFARE SUPPORT**

**1 Purpose of report**

- 1.1 To advise Members of the Councils response to the changes introduced by the Welfare Reform Act 2012. This report relates to all the corporate priorities of PRIDE.

**2 Executive summary**

- 2.1 It is anticipated that the scale and pace of welfare changes will have considerable impact on all local Council's and their communities. This report assesses the impacts of the changes and those yet to be implemented and explains some of the measures the Council has implemented to mitigate some of the negative impacts of these changes.

**3 Appendices**

- 3.1 There are no appendices.

**4 Proposed action:**

- 4.1 **The Committee is invited to RESOLVE to note the response to the changes introduced by the Welfare Reform Act 2012.**

**5 Background**

- 5.1 In October 2010, the Government announced plans to radically overhaul the welfare benefit system. Following a period of consultation, the Welfare Reform Bill was introduced to Parliament on 16th February 2011 and received Royal Assent on 8th March 2012. The reforms contained in the Welfare Reform Act changes have and will have a significant effect on benefit claimants, Registered Providers and Housing Authorities, County Council, Department Work and Pensions (DWP) and the Third Sector. These reforms make the largest changes to the delivery of welfare benefits and support in more than a decade.
- 5.2 The Health and Social Care Act 2012 gave specific functions to Health and Wellbeing Boards; a power to encourage close working between commissioners of health related services such as housing and other related

services provided by local government. Locally this new model of partnership working is through the Wellingborough Health and Wellbeing Forum which has identified local priorities relating to the changes proposed within the planned Welfare Reforms. Multi agency project work has commenced to understand and respond to the impact.

- 5.3 In February 2013 the Department for Work and Pensions and the local authority associations jointly published a draft Local Support Services Framework for the roll out of Universal Credit. It described the sort of support services that Councils might need to provide or commission for the future. The framework was a useful starting point and will be refreshed in October 2013 to incorporate details of lessons learnt from the pilot schemes and the scope of funding arrangements.

## 6.0 Discussion

- 6.1 There is no doubt that the scale and pace of welfare changes will have considerable impact on Councils and their communities. To understand and assess the impacts of the changes the following table shows the welfare benefit changes which have been implemented and those still to be delivered.

<b>Date of Implementation</b>	<b>Welfare Benefit</b>
April 2012	Employment & Support Allowance
	Tax Credits
April 2013	Under-occupancy deduction to Housing Benefit entitlement
	Council Tax benefit replaced by Local Council Tax Support Scheme
	Changes to Social Fund and ending of Community Care Grants and Crisis Loans replaced locally by the Sustainable Independent Living Fund
June 2013	Disability Living Allowance replaced by Personal Independent Payments (PIPs)
July 2013	Benefit Cap introduced in Wellingborough
<b>To be Implemented</b>	<b>Welfare Benefit</b>
October 2013 (TBC for Wellingborough anticipated 2015)	Universal Credit
October 2014 – TBC	Pension Credit

- 6.2 In assessing the response to these changes officers have made an analysis of the predicted impacts the council could expect. Clearly a number of cross-cutting themes emerge and highlight the level of support services that will be needed, certainly in the short to medium term. The roll out of Universal Credit, presents many challenges for the council and it's partners as does the emerging priorities to sustain the delivery of fundamental statutory services in the medium and long term:-

### **6.2.1 People support and communication**

The Council has a statutory responsibility for a number of services that will be directly affected by these changes including homelessness and housing allocation services, temporary accommodation, housing benefit and local council tax support scheme.

To meet these demands the Council provides a physical as well as a virtual 'one stop shop' for advice and help. Clients and customers front line facilities have already been enhanced by bringing together partner agencies to provide advice and support. Bromford Housing Society provide advice and support to help people with money and housing issues, Nene Valley Community Action provide services to train volunteers, Midlands Community Finance (MCF) loans assist clients with affordable loans without the need for a credit rating and Citizens Advice Bureau (CAB) are providing a referral service for the Council to assist people with debt, employment and housing issues.

The introduction of a new local council tax support scheme in April 2013 registered 73% of all working age claimants paying a first time contribution (up to 8.5% of their charge). What has been welcomed is that there have been no significant reports of increases in Council arrears that can be directly linked to the welfare changes although cash flow has changed due to the repayment plan which provides for debt collection over 12 months rather than 10.

As an indication of the level and impact, in the early stages, of the welfare changes the Free Impartial Support and Help (FISH) shop provided by Wellingborough Homes and based in Cambridge Street reported in September 2013 to the Health and Wellbeing Forum they had seen an increase in enquiries of 77% relating to housing benefit and the under occupation changes, coupled with a 42% increase in enquiries relating to the new council tax support scheme. This service, however, is still relatively new and some of these increases could be associated with more people becoming aware of the service provided at the FISH shop.

### **6.2.2 Housing and Work**

By meeting housing needs and reducing the incidences of evictions and homelessness we can support local people in a sustainable and independent home life. We want to help people to be self-reliant and responsible residents who have the skills and knowledge to enable them to be prepared for the changes ahead and those that have already taken place. This will take the form of engaging with social housing and employment advice providers to jointly support people with complex needs and help them into work and become economically active.

The issues around the "under occupancy subsidy" has caused a lot of concern. Social landlords, however, have for some time been eager to

tackle under occupation and make better use of their stock. To this end they have developed incentive schemes to encourage tenants to relocate to smaller properties but as one would expect they do not have the power to force social tenants to move against their will.

Overall within the Borough, 921 (20.38%) of the total stock of 4519 properties managed by Wellingborough Homes were affected by the national policy change. Of these 759 were subject to a 14% reduction in “eligible” rent for housing benefit purposes and 162 were subject to a 25% reduction (source: Health and Wellbeing Forum September 2013).

The impact on each Registered Provider will depend upon the profile of their housing stock. The Wellingborough Registered Providers stock profile is as follows:

- 5 bed - 0.1%
- 4 bed - 1.7%
- 3 bed – 42.0%
- 2 bed – 26.9%
- 1 bed – 28.2%
- Shared accommodation – 1.1%

Source: BCW Housing Database2012

Registered Providers are currently monitoring the impact the under occupancy change has on the demand for three bed houses in particular. They are also monitoring turnover rates of properties generally but with particular attention to the three bedroom and over sized properties. The Council’s Allocations Policy requires two children under the age of 10 years regardless of gender to share a room which further increases the demand for smaller one and two bedroom properties.

The demand for smaller one and two bedroom dwellings impacts on the profile of affordable homes the Council is asking developers to deliver. There will always be a time lag between the level of demand and the ability to satisfy that demand quickly.

Wellingborough is in the first tranche of the benefit cap roll out which commenced on 15<sup>th</sup> July 2013. There are currently six cases affected by the cap and it is predicted that there will be a total of fifteen cases potentially impacted. In all cases, the claimant is being offered the opportunity to claim “discretionary housing payments” (DHP).

Within the first four months of the year 140 DHP awards have been made, with only 18 applicants failing to meet the criteria for an award. In cases where the property has been adapted for disabled use, an award has been made for a period of twelve months in accordance with the DHP Policy. In all other cases awards have been made according to need up to a maximum of twelve weeks. In some cases follow-on awards are now being considered where the claimant’s circumstances have not improved.

### 6.2.3 Personal budgeting

Increasing money management skills, access to bank accounts, affordable and accessible loans and provision of debt advice services to support households' budget effectively can be achieved through working with the voluntary sector to provide a referral system for Council clients.

Voluntary sector grant funding is often targeted at providing debt related services however there is a need to provide services which help with income maximisation through access to welfare benefits.

### 6.2.4 Online Support

Universal Credit is planned to commence from 1 October 2013 at four national sites. However none of these offices are in the immediate locality and the number of cases planned to be converted within the first year is relatively low. It is unlikely that there will be a significant impact on claimants from the Borough until 2014/15.

DWP has identified that Local Authorities will be key partners in delivering the transition to Universal Credit.

The Borough Council of Wellingborough is reviewing support and advice resources for claimants requiring access to the internet, support with their claims and sign posting to specialist support providers. It is anticipated that strategic guidance on partnership requirements will be given by the DWP in the autumn.

Supported 'exempt' accommodation will not be transferred to Universal Credit and local authorities will continue to be responsible for the administration of payment of Housing Benefit for these claims. This will involve close working with the DWP to prevent the duplication of payment. The Council is currently reviewing all claims in this category to ensure that vulnerable claimants are protected. The DWP are considering making changes to the regulations governing supported exempt accommodation, but any changes are unlikely now to be implemented prior to 1<sup>st</sup> April 2014.

The temporary nature of the work available in the Borough means people move in and out of work frequently. This does impact upon their entitlements to benefits. Assistance with budgeting and debt counselling will be important services.

There has been a low level of awareness that Universal Credit will be digital by default. Claims for Universal Credit will be online to the Department for Work and Pensions and there is a requirement to support people getting reliably online. Many claimants do not have personal email accounts and require help in getting access to the internet. Public access computers in the 'one stop shop' can be utilised to facilitate access in an environment where personalised help is available.

### 6.2.5 Partnership delivery

Effective partnership is essential to meeting the changes of Welfare Reform. Positive partnerships exist between Jobcentre Plus, the Council, housing and support providers which are essential to delivering the best outcomes for people in our communities and in accessing all available funding streams to support our statutory services for the future.

Local partnerships have formed and are providing services such as credit unions, food banks, housing advice, neighbourhood support, social landlords forums and street homeless outreach worker.

## 7 Legal powers

Welfare Reform Act 2012.

## 8 Financial and value for money implications

Many of the actions being undertaken to deliver the impacts of Welfare Reform are being delivered within existing resources however future needs will be reported separately to Resources Committee to identify the detailed financial implications on capital and revenue budgets.

The further iteration of the Local Support Services Framework to be delivered in the Autumn should provide detail of the funding framework available to deliver the roll out of Universal Credit. It is however already clear that the Government's proposals for commissioning will be through local partnerships. It is therefore important that early work should commence to ensure that we are in a strong position to participate in opportunities provided by the framework to support our local communities. Welfare changes to date have shown that people will seek to access council services for support. The risk to the Council is that this demand will become an increasing burden on already stretched financial resources.

## 9 Risk analysis

<b>Nature of risk</b>	<b>Consequences if realised</b>	<b>Likelihood of occurrence</b>	<b>Control measures</b>
An increase in demand for Council services	Pressure and financial capacity	High	Partnership working  Early identification of issues  Implementation of perceptive measures

## **10 Implications for resources**

Staff resources are available within the service to develop initiatives to increase flexibility of housing solutions for housing applicants and social housing tenants this however relies on financial availability of key housing and money advice services being provided. Training of staff, providing key liaison officers for DWP and providing attendance and support for the Health and Wellbeing Forum will need further consideration.

## **11 Implications for stronger and safer communities**

The vision and initiatives contained within this report will contribute to ensuring the Borough has stronger and safer communities.

## **12 Implications for equalities**

An equalities impact assessment screening will be undertaken of future to action planning for welfare support. There are no implications for equalities arising directly from this report.

## **13 Authors and contact officers**

Vicki Jessop, Principal Housing Manager  
Nigel Robinson, Principal Revenue and Benefits Manager

## **14 Consultees**

Gill Chapman, Principal Community Manager  
Steven Wood, Head of Planning and Local Development  
Liz Elliot, Head of Finance

## **15 Background papers**

Wellingborough Health and Wellbeing Forum, Summary of Local Priorities 2013-2014

LGA Local Government and Universal Credit June 2013